

SB0801/564638/1

BY: Education, Health, and Environmental Affairs Committee

AMENDMENTS TO SENATE BILL 801
(First Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “requiring” in line 6 down through “equivalent;” in line 8 and substitute “authorizing a local licensing board to conditionally grant an applicant an on-site consumption permit or a Class D beer license that will become effective after the applicant meets certain requirements;”; strike beginning with “repealing” in line 13 down through “license;” in line 15 and substitute “specifying that certain hours of sale do not apply to transferees of certain licenses;”; in line 26, after “location;” insert “altering the hours during which a holder of a Class 8 farm brewery license may exercise the privileges of the license; altering the amount of beer that the holder of a Class 5 manufacturer’s license or a Class 7 micro-brewery license may distribute under a Class 7 limited beer wholesaler’s license; requiring, instead of authorizing, the Comptroller to include certain information in a certain report; requiring the Comptroller to report to certain entities certain information regarding beer production; requiring certain license holders to report certain information to the Comptroller; requiring the Comptroller to include certain information in a certain annual report;”; in line 27, strike “and”; and in the same line, after the third “licenses” insert “, and Class 7 limited beer wholesaler’s licenses”.

On page 2, in line 2, strike “and”; in the same line, after “2-210” insert “, 2-308(b) and (c), and 2-311(b)(3)”; and after line 4, insert:

“BY repealing and reenacting, without amendments,

Article – Alcoholic Beverages

Section 2-208(a)

Annotated Code of Maryland

(2016 Volume and 2018 Supplement)

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BY adding to

Article – Alcoholic Beverages
Section 2–208(i)
Annotated Code of Maryland
(2016 Volume and 2018 Supplement)”.

AMENDMENT NO. 2

On page 3, in line 7, strike “LICENSED” and substitute “LICENSE”; in line 14, after “(1)” insert “(I)”; in the same line, strike the brackets; in the same line, strike “SHALL”; and after line 16, insert:

“(II) ON REQUEST, A LOCAL LICENSING BOARD MAY GRANT AN APPLICANT A CONDITIONAL ON-SITE CONSUMPTION PERMIT OR A CONDITIONAL CLASS D BEER LICENSE.

“(III) THE CONDITIONAL PERMIT OR CONDITIONAL LICENSE SHALL BECOME EFFECTIVE AFTER THE APPLICANT:

1. FILES A COMPLETED BREWER’S NOTICE FORM WITH THE U.S. DEPARTMENT OF TREASURY;

2. OBTAINS A CLASS 5 BREWERY LICENSE; AND

3. FULFILLS ANY OTHER OBLIGATION REQUIRED BY LAW THAT THE LOCAL LICENSING BOARD IDENTIFIES.”

On page 5, in line 27, strike the bracket; and in line 29, after “2017” insert “, AND ANY TRANSFEREE OF THOSE LICENSES”.

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On page 6, in lines 4, 6, 11, and 24, in each instance, strike the bracket; in line 6, strike “(II)”; and strike in their entirety lines 25 through 28, inclusive.

On page 9, in lines 4, 7, and 10, in each instance, strike the bracket; and in line 17, after “OR” insert “MORE THAN”.

On page 12, in line 30, strike the colon and substitute “FROM 10 A.M. TO 10 P.M.”.

On pages 12 and 13, strike in their entirety the lines beginning with line 31 on page 12 through line 5 on page 13, inclusive.

AMENDMENT NO. 3

On page 7, in line 31, strike “may” and substitute “SHALL”; and after line 32, insert:

“2-208.

(a) There is a Class 6 pub-brewery license.

(1) (1) ON OR BEFORE OCTOBER 1 EACH YEAR, THE COMPTROLLER SHALL REPORT TO THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE TOTAL BEER PRODUCTION OF EACH CLASS 6 LICENSE HOLDER IN THE PRECEDING FISCAL YEAR, IDENTIFIED BY JURISDICTION AND LICENSE HOLDER.

(2) EACH HOLDER OF A CLASS 6 LICENSE SHALL REPORT TO THE COMPTROLLER THE INFORMATION NEEDED TO PREPARE THE ANNUAL REPORT REQUIRED UNDER THIS SUBSECTION.

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(3) THE COMPTROLLER SHALL INCLUDE THE INFORMATION REPORTED UNDER THIS SUBSECTION IN THE ANNUAL REPORT SUBMITTED UNDER § 1-306 OF THIS ARTICLE.”.

On page 10, after line 9, insert:

“(J) (1) ON OR BEFORE OCTOBER 1 EACH YEAR, THE COMPTROLLER SHALL REPORT TO THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL AFFAIRS COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, ON THE FOLLOWING, IDENTIFIED BY JURISDICTION AND CLASS 7 LICENSE HOLDER:

(I) THE TOTAL BEER PRODUCTION OF THE LICENSE HOLDER IN THE PRECEDING FISCAL YEAR; AND

(II) THE TOTAL SALES OF THE LICENSE HOLDER FOR ON-SITE CONSUMPTION.

(2) EACH HOLDER OF A CLASS 7 LICENSE SHALL REPORT TO THE COMPTROLLER THE INFORMATION NEEDED TO PREPARE THE ANNUAL REPORT REQUIRED UNDER THIS SUBSECTION.

(3) THE COMPTROLLER SHALL INCLUDE THE INFORMATION REPORTED UNDER THIS SUBSECTION IN THE ANNUAL REPORT SUBMITTED UNDER § 1-306 OF THIS ARTICLE.”.

On page 14, after line 11, insert:

“(L) (1) ON OR BEFORE OCTOBER 1 EACH YEAR, THE COMPTROLLER SHALL REPORT TO THE SENATE EDUCATION, HEALTH, AND ENVIRONMENTAL

AFFAIRS COMMITTEE AND THE HOUSE ECONOMIC MATTERS COMMITTEE, IN ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE TOTAL BEER PRODUCTION OF EACH CLASS 8 LICENSE HOLDER IN THE PRECEDING FISCAL YEAR, IDENTIFIED BY JURISDICTION AND LICENSE HOLDER.

(2) EACH HOLDER OF A CLASS 8 LICENSE SHALL REPORT TO THE COMPTROLLER THE INFORMATION NEEDED TO PREPARE THE ANNUAL REPORT REQUIRED UNDER THIS SUBSECTION.

(3) THE COMPTROLLER SHALL INCLUDE THE INFORMATION REPORTED UNDER THIS SUBSECTION IN THE ANNUAL REPORT SUBMITTED UNDER § 1-306 OF THIS ARTICLE.

2-308.

(b) The license may be issued only to a person that:

(1) holds a Class 5 manufacturer's license, a Class 7 micro-brewery license, or a Class 8 farm brewery license; and

(2) produces in the aggregate from all of its locations not more than [22,500] 45,000 barrels of beer annually.

(c) The license authorizes the license holder to:

(1) sell and deliver its own beer produced at the license holder's premises to:

(i) a holder of a retail license that is authorized to acquire beer from a wholesaler; and

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(ii) a holder of a permit that is authorized to acquire beer from a wholesaler; and

(2) distribute not more than [3,000] **5,000** barrels of its own beer annually.

2-311.

(b) (3) (i) The holder of a Class 5 manufacturer's license or Class 7 micro-brewery license may apply for and obtain a Class 7 limited beer wholesaler's license in accordance with this paragraph.

(ii) A holder of a Class 5 manufacturer's license that was selling the holder's own beer at wholesale in the State as of January 1, 2013, may obtain a Class 7 limited beer wholesaler's license to continue to sell the holder's own beer at wholesale in the same location in an amount that is not more than [3,000] **5,000** barrels annually.

(iii) A holder of a Class 5 manufacturer's license that produces in aggregate from all its locations not more than [22,500] **45,000** barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and distribute not more than [3,000] **5,000** barrels of its own beer annually.

(iv) A holder of one or two Class 7 micro-brewery licenses that produces in aggregate from all of its locations not more than [22,500] **45,000** barrels of beer annually may obtain a Class 7 limited beer wholesaler's license and distribute beer that:

1. totals annually not more than [3,000] **5,000** barrels in aggregate from all of its locations; and

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2. has been brewed at the location from where it is distributed.